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THE WHITE HOUSE
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CABINET AFFAIRS STAFFING MEMORANDUM

Date: 1/13/84 **Number:** 168885CA **Due By:** _____

Subject: Cabinet Council on Legal Policy - Monday, January 16, 1984
2:00 p.m. - Roosevelt Room

	Action	FYI
ALL CABINET MEMBERS	☐	☐
Vice President	☑	☐
State	☑	☐
Treasury	☑	☐
Defense	☐	☑
Attorney General	☑	☐
Interior	☑	☐
Agriculture	☐	☑
Commerce	☑	☐
Labor	☑	☐
HHS	☑	☐
HUD	☑	☐
Transportation	☑	☐
Energy	☐	☑
Education	☐	☑
Counsellor	☑	☐
OMB	☑	☐
CIA	☐	☑
UN	☐	☑
USTR	☐	☑
GSA	☐	☐
EPA	☐	☐
OPM	☐	☐
VA	☐	☐
SBA	☐	☐

	Action	FYI
CEA	☐	☑
CEQ	☐	☐
OSTP	☐	☐
ACUS	☑	☐
	☐	☐
	☐	☐
Baker	☑	☐
Deaver	☐	☐
Clark	☐	☑
Darman *(For WH Staffing)*	☑	☐
Jenkins	☐	☑
Svahn	☑	☐
Fielding	☑	☐
	☐	☐
	☐	☐
	☐	☐
	☐	☐
CCCT/Gunn	☐	☐
CCEA/Porter	☐	☐
CCFA/	☐	☐
CCHR/Simmons	☐	☐
CCLP/Uhlmann	☑	☐
CCMA/Bledsoe	☐	☐
CCNRE/	☐	☐

REMARKS:

Attached is an additional paper for the CCLP meeting which is scheduled for Monday, January 16, 1984.

The agenda was sent to you earlier today with the background papers.

DCI EXEC REG

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs
456-[illegible]

☐ Katherine Anderson
☑ Tom Gibson
Associate Director
Office of Cabinet Affairs

☐ Don Clarey
☐ Larry Herbolsheimer

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JAN 13 1984

MEMORANDUM FOR: CABINET COUNCIL ON LEGAL POLICY

FROM: DAVID A. STOCKMAN

SUBJECT: OMB's Concerns with the Immigration Legislation

The purpose of this memorandum is to express OMB's budgetary and policy concerns with the immigration legislation and to urge the Administration to determine the budget magnitude and policy compromises it is willing to support in preparation for devising a legislative strategy to effect passage of a bill the Administration can accept.

Budget Concerns

- Both the House and Senate bills have serious budget implications for 1984-89: $13.3 billion in H.R. 1510 and $10.1 billion in S. 529.

- Despite repeated expressions of Administration concern, the budgetary impact of the legislation has not been addressed, especially in the House bill.

  -- The Senate ignored the Administration's request to limit the block grant to $1.4 billion over four years. The block grant remains uncapped.

  -- The House Judiciary Committee defeated amendments to control costs by limiting Federal reimbursements as well as the population of legalized aliens.

  -- Representative Lungren, intended block grant sponsor on the House Floor, has indicated the lack of support for a block grant. He is considering more expensive amendments.

  -- Given the costs of the current House and Senate bills, the conference outcome (if it splits the difference) is likely to be an unacceptable $11.7 billion for 1984-89 without forceful intervention by the Administration.

Policy Concerns

- Both bills create a large new entitlement group of legalized aliens contrary to Administration efforts to control entitlement spending.

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- Reimbursement authority in the House bill has no cost control. States determine costs and the Federal Government pays. For example, the Federal Government would pay the full cost of educating legalized aliens.

- The uncapped block grant in the Senate still creates serious budget exposure. States will argue that immigration is a Federal problem and press for the Federal Government to pay all costs.

- The House bill also significantly weakens enforcement:

  -- Verification of employment eligibility is voluntary until the first violation, thereby giving employers an affirmative defense against sanctions.

  -- Employers of casual labor (i.e., agriculture and construction) are not required to check worker ID for 24 hours. This provision eliminates any fear of penalty and effectively exempts day labor from employer sanctions.

  -- There would be no penalty assessed for an employer's first violation.

  -- Employers of illegals would be exempted from employer sanctions for three years by participating in the transition worker program.

Unless the Administration reasserts its budget and policy concerns before the bill is scheduled for House action, the Administration will be faced with a conference bill that is too expensive and contains significant enforcement loopholes. Senator Simpson's offer to take the post-conference bill to the President for concurrence puts pressure on the President to take responsibility for the outcome of the bill. Given these factors, the Administration needs to determine the dollar magnitude and policy compromises it is willing to accept and to follow that determination with an appropriate legislative strategy.

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